

1 AMENDMENT TO HOUSE BILL 909

2 AMENDMENT NO. _____. Amend House Bill 909 on page 1, line
3 1, by changing "the Illinois work force" to "construction";
4 and

5 on page 1, by replacing lines 4 through 5 with the following:

6 "Section 5. The Public Construction Bond Act is amended
7 by changing Section 1 as follows:

8 (30 ILCS 550/1) (from Ch. 29, par. 15)

9 Sec. 1. Except as otherwise provided by this Act, all
10 officials, boards, commissions or agents of this State, or of
11 any political subdivision thereof in making contracts for
12 public work of any kind costing over \$5,000 to be performed
13 for the State, or a political subdivision thereof shall
14 require every contractor for the work to furnish, supply and
15 deliver a bond to the State, or to the political subdivision
16 thereof entering into the contract, as the case may be, with
17 good and sufficient sureties. The amount of the bond shall be
18 fixed by the officials, boards, commissions, commissioners or
19 agents, and the bond, among other conditions, shall be
20 conditioned for the completion of the contract, for the
21 payment of material used in the work and for all labor

1 performed in the work, whether by subcontractor or otherwise.

2 If the contract is for emergency repairs as provided in
3 the Illinois Procurement Code, proof of payment for all
4 labor, materials, apparatus, fixtures, and machinery may be
5 furnished in lieu of the bond required by this Section.

6 Each such bond is deemed to contain the following
7 provisions whether such provisions are inserted in such bond
8 or not:

9 "The principal and sureties on this bond agree that all
10 the undertakings, covenants, terms, conditions and agreements
11 of the contract or contracts entered into between the
12 principal and the State or any political subdivision thereof
13 will be performed and fulfilled and to pay all persons, firms
14 and corporations having contracts with the principal or with
15 subcontractors, all just claims due them under the provisions
16 of such contracts for labor performed or materials furnished
17 in the performance of the contract on account of which this
18 bond is given, when such claims are not satisfied out of the
19 contract price of the contract on account of which this bond
20 is given, after final settlement between the officer, board,
21 commission or agent of the State or of any political
22 subdivision thereof and the principal has been made."

23 The bond required by this Section may be acquired from
24 the company, agent or broker of the contractor's choice.
25 Except in a political subdivision of this State with a
26 population over 1,000,000, the form of the bond may be, at
27 the contractor's choosing, a cash bond, letter of credit, or
28 surety bond. The bond and sureties shall be subject to the
29 right of reasonable approval or disapproval, including
30 suspension, by the State or political subdivision thereof
31 concerned.

32 When other than motor fuel tax funds, federal-aid funds,
33 or other funds received from the State are used, a political
34 subdivision may allow the contractor to provide a

1 non-diminishing irrevocable bank letter of credit, in lieu of
2 the bond required by this Section, on contracts under
3 \$100,000 to comply with the requirements of this Section.
4 Any such bank letter of credit shall contain all provisions
5 required for bonds by this Section.
6 (Source: P.A. 91-456, eff. 8-6-99.)".